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**UNITED STATES DISTRICT COURT  
 SOUTHERN DISTRICT OF NEW YORK**

_____	)	
COSTAR GROUP, INC.,	)	
	)	
Plaintiff,	)	Civil Action No. 08-CV 1156
	)	
v.	)	
	)	
LOOPNET, INC.,	)	<b>DECLARATION OF KARLA G.</b>
	)	<b>SANCHEZ IN SUPPORT OF COSTAR'S</b>
Defendant.	)	<b>REPLY BRIEF SEEKING A</b>
_____	)	<b>PRELIMINARY INJUNCTION</b>

_____	X
LOOPNET, INC.,	)
	)
Counterclaim	)
Plaintiff,	)
	)
v.	)
	)
COSTAR GROUP, INC., and COSTAR	)
REALTY INFORMATION, INC.	)
	)
Counterclaim	)
Defendant.	)
_____	

**KARLA G. SANCHEZ**, under penalty of perjury, declares as follows:

1. I am a member of Patterson Belknap Webb & Tyler LLP, counsel for CoStar Group, Inc. and CoStar Realty Information, Inc. (collectively “CoStar”), in the above-referenced action. I submit this declaration, based upon my personal knowledge, unless where otherwise indicated, in support of CoStar’s Reply Brief on its Motion for a Preliminary Injunction.

2. On June 20, 2008 CoStar filed its motion seeking a preliminary injunction. One of the LoopNet advertisements challenged by CoStar stated that LoopNet had the “largest database of commercial listings.” Prior to filing CoStar’s motion, my colleague viewed that claim through the LoopNet website at [www.loopnet.com](http://www.loopnet.com). LoopNet’s website has a “Help” section at <http://www.loopnet.com/xNet/MainSite/Marketing/About/Faq.aspx?LinkCode=1230>, which includes a “Comprehensive Help Center” icon. The information that can be accessed through that icon is described by a parenthetical stating “Search our question/answer database.” Clicking on that icon opens a “pop up” window where you can view categories of questions and their answers. The challenged claim was under the category “Membership” and responded to “What are the benefits of LoopNet membership.” That entry stated that it was last updated on April 30, 2008. A printout was attached as Ex. 6 to the supporting declaration of Andrew Florance filed with CoStar’s motion.

3. At the July 2, 2008 conference before Magistrate Judge Gorenstein, the parties discussed discovery necessary to pursue CoStar’s allegations regarding LoopNet’s claim. At that time, LoopNet represented that it was no longer making this claim. CoStar indicated that it would not seek expedited discovery on that allegation if that was indeed true.

4. Upon checking the LoopNet website later that day, however, I discovered that the claim was still being made. On the evening of July 2, I emailed LoopNet's counsel indicating that the claim still appeared on the website. I reiterated that if LoopNet agreed to remove it and not repeat the claim, CoStar would not seek expedited discovery regarding it.

5. On July 8, LoopNet responded that it had located and removed the claim from its website. LoopNet's counsel claimed the statement was on a third-party site, which was a curious claim given that it "pops up" from the LoopNet website Help section. In any case, I checked the LoopNet website and confirmed that the claim had been removed. The Q&A at issue now stated that it had been last updated on July 7, 2008. On July 9, I confirmed to LoopNet's counsel that CoStar would not pursue expedited discovery on that allegation.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed at New York, NY this 31<sup>st</sup> day of July, 2008.

/s/ Karla Sanchez  
Karla G. Sanchez